



Kentucky > Manufacturing > Low-education

During the early 2000's, Kentucky's unemployment rate was on par with the national rate. But from 2005 to 2007, the rate crept up at a pace that carried it above the national average. Reflecting layoffs in its declining manufacturing sector, as well as the recession, the rate continued to rise until peaking at 11.1 percent in July 2009. The state's GDP, however, suffered only a minor decline in 2009, and by 2010 it equaled, and then exceeded, its pre-recession level.

Industry in Kentucky

Kentucky is highly reliant on manufacturing, and so will be disproportionately hurt by the expected national decline in employment levels as manufacturing productivity improves. In 2010 manufacturing accounted for 12.2 percent of total employment and 16.9 percent of GDP.⁶⁹ Employment in manufacturing declined by 20.1 percent between 1998 and 2008,⁷⁰ and it is expected to further decline by 2.3 percent through 2020. Aside from manufacturing, employment in Kentucky is largely services-oriented: government and public education services (18%), wholesale and retail trades services (15.1%), and healthcare services (10.7%).

Kentucky's top employers are widely distributed among economic sectors. In 2010, the list included three major manufacturers (Toyota Motor Corporation, Ford Motor Company, and Lexmark International) and two transportation and utilities companies (United Parcel Service and Delta Air Lines). Two top employers are financial services companies: Citigroup and FMR LLC. Finally, healthcare, transportation and utilities, and information services are represented by Humana, Inc., General Electric, and Affiliated Computer Services. Kentucky is home to 43 of the nation's fastest-growing companies, as ranked by Inc.com in 2010. CSS Distribution Group tops the list, grossing \$13.8 million and growing at a rate of 3,971 percent over the last three years.

Occupations in Kentucky

By occupation, the blue-collar cluster was the largest in 2010, at 28.3 percent of all employment, followed by sales and office support (25.9%) and food and personal services (15.7%). The next decade will be a period of economic change for Kentucky as those occupations that traditionally employed workers with high school or less education either stagnate or decline. With the close ties that exist between blue-collar occupations and manufacturing, this occupational cluster is expected to have Kentucky's second-lowest rate of job growth (8%) between 2010 and 2020. Managerial and professional office jobs and sales and office support are next, projected to grow by 11 percent through 2020.

69. Kentucky State Plan Modification: Workforce Investment Act and Wagner-Peyser. July 1, 2009-June 30, 2010
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In contrast, healthcare jobs in Kentucky will experience 20.1 percent growth and comprise 9.2 percent of the workforce by 2020. Healthcare's projected growth is followed by education occupations (16.3%), food and personal services (12.1%), and community services and arts (11.2%).

56% OF JOBS IN KENTUCKY WILL REQUIRE POSTSECONDARY EDUCATION AND TRAINING IN 2020 (UP FROM 53% IN 2010)

Table 14: Snapshot of Education Demand for Total Jobs in Kentucky (2010 And 2020)

	2010	2020	% in 2020
High school or less	872,500	935,700	44%
Some college	419,900	524,000	24%
Associate's	151,500	195,000	9%
Bachelor's	276,800	317,200	15%
Graduate	147,600	169,200	8%
Total	1,868,300	2,141,100	100%

By the year 2020, 56 percent of all jobs in the state will require some postsecondary training.

Between 2010 and 2020, Kentucky will create 649,200 job vacancies both from new jobs and from retirement. There will be 365,500 job vacancies for individuals with postsecondary credentials, in contrast to 283,700 for high school graduates and high school dropouts.

Kentucky ranks 14th in the South in the proportion of its 2020 jobs requiring a bachelor's degree, 10th in the proportion requiring a graduate degree, and 14th in jobs for high school dropouts.

Tennessee Natural resources growth > Transitioning to high-tech

Unemployment in Tennessee averaged above 7.7 percent during the recession. It peaked at 10.8 percent from June to August 2009.

Industry in Tennessee

While Tennessee's experience with the recession and recovery was milder than for many southern states, the ill effects of the recession varied across the state. Employment in the goods-producing industries (i.e. manufacturing) declined much faster than employment in the service-providing sector.

Tennessee's \$228.9 billion real GDP in 2010 was somewhat evenly distributed among five sectors: financial services (17.4%), wholesale and retail trade services (15.5%), manufacturing (15.4%), government and public education services (11.4%), and professional and business services (11.1%). Between 2007 and 2010, real GDP contributions declined for most sectors, with the most notable exceptions of natural resources, which grew by more than half (59.1%), healthcare services and financial services, both with 9 percent growth. As in the rest